

FISCAL NOTE

STATE OF ALASKA
2005 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: _____
() Publish Date: _____
Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____

Title RELATING TO CHILD-IN-NEED-OF AID
MATTERS

RDU Children's Services

Component Foster Care Base Rate

Sponsor COGHILL

Requester HOUSE (HES)

Component No. 2236

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2
Miscellaneous						
TOTAL OPERATING	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (0)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	60.9	60.9	60.9	60.9	60.9	60.9
1003 GF Match	118.3	118.3	118.3	118.3	118.3	118.3
1004 GF	2,918.0	2,918.0	2,918.0	2,918.0	2,918.0	2,918.0
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2	3,097.2

Estimate of any current year (FY2005) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2006 budget proposal: ☐

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

SSHB 53 is an omnibus bill that incorporates a number of changes to the Child-in-Need-of-Aid (CINA) statutes. Changes that may have fiscal impact on the Department Office of Children's Services budget are summarized below.

Sec.13 (u). Child Placement in Foster Homes Known as A Home Requesting Adoption.

Prepared by: Tammy Sandoval, Acting Deputy Commissioner
Division: Office of Children's Services
Approved by: Joel S. Gilbertson, Commissioner
Agency: Department of Health and Social Services

Phone 465-3397
Date/Time 03/08/2005
Date 03/11/2005

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ANALYSIS CONTINUATION

Sec 13 (u) Analysis Con't:

This subsection prohibits the Department from placing a child in a foster home requesting adoptions before 30 days after the date of the first permanency hearing, before the decision to terminate parental rights, and before the court approves placement. The results of this section would mean multiple placements, delayed permanency, and potential non-compliance with the Federal Review. The OCS estimates permanency could be delayed for a minimum of 4 months, resulting in extended foster care. On average, foster care payments exceed adoptions by \$224.00 monthly. There are approximately 200 adoptions per year. If this bill were to be enacted into law, Section 13 would increase costs to the Department by at least \$44.8.

Sec. 34.- Relative Placement

This section amends AS 47.14.100(e) which prohibits the department from placing a child in a foster home if a relative, family friend, or neighbor requests placement of the child and the home would be a safe environment.

The State cannot receive IV-E federal reimbursement for the care of a child that is not placed in a licensed home. If children are placed with relatives, the relatives may choose whether to be licensed as foster parents or not. Unlicensed friends or neighbors would not be eligible for payment through Title IVE. Therefore, for those who choose not to license, the only payment option under this bill would be to authorize enough state general funds to cover lost federal revenue.

On any given day, the State has approximately 2,000 children in custody. Of the 2,000, approximately 8 percent may be in residential care; 13 percent placed with licensed relatives; and 18 percent with unlicensed relatives. This bill would allow those 18 percent of unlicensed relatives to begin receiving foster care rates funded by general funds. The OCS can assume that 75% of the unlicensed family placements would begin receiving foster care payments within the first year.

The remaining 61 percent of the children in custody could potentially be placed in unlicensed homes that would not qualify for federal reimbursement. Given little or no incentive to license, it can be assumed that 50 percent or more of the remaining placements will migrate to unlicensed homes and receive foster care payments through the general fund.

The cost for these children in unlicensed homes would be approximately \$7,725.0 million per year. Of that amount, approximately \$2,918.0 would have been reimburseable under Title IV -E and therefore, under this bill, would need to be funded by the State.